

Theresa L. O'Brien Vice President – Regulatory Affairs

234 Washington Street Providence, RI 02903

Phone 401 525-3060 Fax 401 525-3064 theresa.obrien@verizon.com

October 26, 2005

Ms. Luly E. Massaro, Commission Clerk Rhode Island Public Utilities Commission 89 Jefferson Boulevard Warwick, Rhode Island 02888

Dear Ms. Massaro:

We are filing herewith, for effect November 25, 2005, tariff material consisting of:

RI PUC No. 15

| Part/Section | Revision of Page(s) | Original of Page(s) |
|--------------|---------------------|---------------------|
| TOC | 24.1 and 63 | N/A |
| A/15 | N/A | 19 through 24 |
| M/1 | N/A | 61 and 62 |

With this filing, Verizon Rhode Island (Verizon RI) is introducing the Verizon Client Advantage Program for Regulated Services ("VCAP-R"). VCAP-R is a loyalty program that provides a "bottom-of-the-intrastate bill" rebate for each month that an eligible business customer achieves an agreed upon monthly or year-to-date level of billing for certain Verizon services.

Verizon certifies that the costs of providing all services under the Verizon Client Advantage Program for Regulated Services are not less than the Long-run Incremental Cost of providing the services.

If you have any questions regarding this filing, please contact Frances O'Neill-Cunha of my staff at 401 525-3560.

Enclosed are an original and nine copies of the tariff material. Please return a copy of this letter with your stamp of receipt.

Respectfully submitted,

Theresa L. O'Brien

Attachments

VERIZON CLIENT ADVANTAGE PROGRAM FOR REGULATED SERVICES (VCAP-R)

Verizon Rhode Island

Tariff Filing Support Package

October 2005

Verizon Rhode Island

Verizon Client Advantage Program for Regulated Services VCAP-R

Tariff Filing Support Package

INDEX

| Section | | <u>Page</u> |
|---------|----------------------------------|-------------|
| 1 | Purpose of Filing | 1 |
| 2 | Service Description | 1 |
| 3 | Target Market | 1 |
| 4 | Ordering of VCAP-R | 2 |
| 5 | Application of Rates and Charges | 2 |

VERIZON CLIENT ADVANTAGE SERVICE FOR REGULATED SERVICES (VCAP-R)

Section 1 – Purpose of Filing

In this filing, Verizon Rhode Island ("Verizon RI") introduces the Verizon Client Advantage Program for Regulated Services ("VCAP-R"). VCAP-R is a loyalty program that provides a "bottom-of-the-intrastate bill" rebate for each month that a business customer achieves an agreed upon monthly or year-to-date level of billings for certain Verizon services. The primary purpose of the filing is to meet the demands of large, national business customers, as well as respond to similar telecommunications offerings provided by competitors on a national level.

Section 2 – **Service Description**

VCAP-R provides qualifying business customers with a monthly rebate that is applied to their total billed charges for certain Verizon services. The rebate, which is identified on the customer's bill as a "Corporate Spending Award", can be found on the intrastate portion of Verizon RI's bill in the "Other Charges and Credits" section. As described below, the customer's monthly rebate is based on the customer's level of annual multistate Contributing Total Billings (CTB). It is applied to existing Verizon rates made available through general tariff offerings or Customer Specific Pricing (CSP) arrangements as specified in the VCAP-R tariff. The Verizon affiliates participating in VCAP-R, in addition to Verizon RI, are identified in the proposed tariff.

Section 3 – Target Market

Verizon's target market is large, national business customers with CTB of \$1.5M to \$80M annually. The goal of VCAP-R is for Verizon to recognize business customers with significant CTB across the Verizon footprint and provide incentives to those customers to continue and even increase their current level of business with Verizon, rather than disperse their business among multiple carriers, as customers of this size often do.

Section 4 – **Ordering of VCAP-R**

To order VCAP-R, a business customer signs an agreement with Verizon to participate in the program in all states where the service is available pursuant to the tariff. A rebate appears on a customer's bill within two to three billing cycles from the date the service agreement was signed by both Verizon and the customer and will apply as of that service agreement date.

Section 5 – Application of Rates and Charges

Verizon has established the following two categories of business customers in determining the level of the monthly rebate for the first year of the VCAP-R program.

- Group A Customers with an annual, national CTB of between \$1.5M and \$29.99M receive a rebate in the amount of a 5% discount on intrastate telecommunications services, voice messaging services and inside wire maintenance in the first year.
- Group B Customers with an annual, national CTB of between \$30M and \$80M receive a rebate in the amount of a 5.5% discount on intrastate telecommunications services, voice messaging services and inside wire maintenance in the first year.

The Customer Commitment is the amount of revenue for intrastate services and interstate access services that the customer commits to spend with Verizon over the next 12 months. Customers agree to commit a particular, annual level of CTB in their service agreements. Verizon then divides that CTB amount into 12 monthly amounts and sets a threshold of 90%. For any given month, if a customer meets 90% of the monthly customer commitment, either on a monthly or year-to-date basis, Verizon applies the rebate. If the customer fails to meet the monthly customer commitment, the customer does not receive a rebate for that month.

Customers receive a rebate for any month they meet their commitment. If the customer fails to meet their annual customer commitment, there is no penalty. Customers are entitled to keep whatever rebates they have earned throughout the measurement period. Customers can discontinue their participation in VCAP-R at any time without incurring any termination liability.

Rebate amounts in subsequent years are calculated by taking the end of the current year actual CTB and identifying what percent it is of the first year Customer Commitment. That percent and the Customer Commitment for the following year establishes the percent rebate for the subsequent year. Rebate amounts remain constant during each program year and range from 2% to 6.5%.

The following example illustrates the application of the monthly rebate under the VCAP-R program. Assume that, on an annual basis, the Customer's Commitment CTB is \$12,000,000. The Customer Commitment will be 90% of Commitment CTB, which equals \$10,800,000, and the Monthly Rebate Trigger is 90% of Customer Commitment on a monthly basis, which equals \$810,000. If the Customer's Monthly Actual CTB is \$900,000, which exceeds \$810,000, the Customer will receive a rebate equal to, for Group A, 5% of the Customer's State Specific Monthly Actual CTB. Assume that the Customer's State Specific Monthly Actual CTB is \$500,000, and that the Customer's State Specific Monthly Actual Rebate CTB is \$300,000. In this example, the Customer will receive a rebate of \$25,000 (5% of \$500,000), which will be applied against the Customer's State Specific Monthly Actual Rebate CTB of \$300,000.

Verizon certifies that the costs of providing all services under the Verizon Client Advantage Program for Regulated Services are not less than the Long-run Incremental Cost of providing the services.

Table of Contents Part A Exchange and Network Services

| 15. | Service Packages | |
|------------|---|----|
| 15.12. | Verizon Client Advantage Program for Regulated Services (VCAP-R) Plan | 19 |
| 15.12.1. | General | 19 |
| 15.12.2. | Definitions | 19 |
| 15.12.3. | Regulations | 21 |
| 15.12.3.B. | Initial Eligibility Requirements | 21 |
| 15.12.3.C. | Reports | 22 |
| 15.12.4. | Terms and Conditions | 22 |
| 15.12.4.A. | Renewal Period | 22 |
| 15.12.4.B. | Termination by the Customer | 22 |
| 15.12.4.C. | Increases in CTB Categories | 23 |
| 15.12.5. | Application of Rates and Charges | 23 |
| 15.12.5.A. | Rebates | 23 |

Page 24.1 of 74 - Issued: October 26, 2005

Table of Contents Part M Rates and Charges

| 1.9.2. | Information Delivery Service (IDS) | 37 |
|------------------|--|----------|
| 1.9.3. | Call Completion Platform Services | |
| 1.10. | Message Telecommunications Service (MTS) Optional Toll Calling Plans | |
| 1.10. | Selective Calling Service | |
| 1.10.1. | Rhode Island Statewide Calling Service | |
| 1.10.2. | Sensible Minute Plan | |
| 1.10.3. 1.11. | Toll-Free Services | |
| | | |
| 1.11.1. | Dedicated Toll Free Service (DTFS) | |
| 1.11.2. | Toll-Free Service | |
| 1.12. | Other Services | |
| 1.12.1. | Public Emergency Call Receiving Service | |
| 1.12.2. | Enhanced Universal Emergency Number Service (E911) | 41 |
| 1.12.3. | Direct Inward Dialing (DID) Service for Private Branch Exchange (PBX) Systems | 49 |
| 1.12.4. | Automatic Identification of Outward Dialing (AIOD) Service for Private | |
| · · | Branch Exchange Systems | 49 |
| 1.12.5. | Toll Access Trunk Lines for Private Branch Exchange Systems | |
| 1.12.6. | Toll Diversion Trunk Lines for Private Branch Exchange Systems | |
| 1.12.0. | Trunk Multiplying Arrangement | |
| 1.12.7. | Arrangements for Toll Billing Information for Private Branch | 50 |
| 1.12.0. | | 50 |
| 1 12 0 | Exchange Systems | 50 |
| 1.12.9. | Special Central Office Terminal Equipment (SCOTE) for Private Branch | 50 |
| 4.40.40 | Exchange Systems | |
| 1.12.10. | Secretarial Concentrator Identifier Service | |
| 1.12.11. | Secretarial Concentrator Service Bridging Connections | |
| 1.12.12. | Service Through Miscellaneous Common Carriers | |
| 1.12.13. | Group Alerting System | |
| 1.12.14. | Central Office Local Area Network Service (CO-LAN) | |
| 1.12.15. | Private Switch/Automatic Location Identification (PS/ALI) Trunks | |
| 1.12.16. | Business Traffic Study Service | 54.1 |
| 1.13. | Reserved for Future Use | |
| 1.14. | Reserved for Future Use | 56 |
| 1.15. | Service Packages | 57 |
| 1.15.1. | ValuePack | |
| 1.15.2. | Verizon Local Package Extra sm and Verizon Local Package sm | 57 |
| 1.15.3. | Multi-Line Package Bonus Discount | |
| 1.15.4. | Corporate Rewards | |
| 1.15.5. | Worksmart Package | |
| 1.15.6. | Package Bonus Discount | |
| 1.15.7. | Unlimited Local Usage for Business | |
| 1.15.8. | Unlimited Local and Toll Usage for Business | |
| 1.15.0. | Verizon Regional Package Extra sm | 60 |
| 1.15.3. | Verizon Regional Package sm | 60 60 |
| 1.15.10. | Verizon Regional Package sm Verizon Regional Package Unlimited sm | 60 |
| | Verizon Client Adventage Drogrem for Degulated Services Disc | |
| 1.15.12 | Verizon Client Advantage Program for Regulated Services Plan – First Year Rebate | 61 (N |
| 1.15.13 | Verizon Client Advantage Program for Regulated Services Plan | |
| | - Subsequent Years Rebate | 61 (N |

15. Service Packages

15.12 Verizon Client Advantage Program for Regulated Services (VCAP-R) Plan

(Ņ)

15.12.1 General

- A. The Verizon Client Advantage Program for Regulated Services (VCAP-R) Plan is a rebate plan available to retail business customers that meet certain eligibility requirements as set forth in Section 15.12.3 of this tariff, and achieve a multi-state commitment level based on Contributing Total Billings for business telecommunications services provided by the Telephone Company as defined in Part A, Section 15.12.2.A below. If the eligibility requirements are met, the VCAP-R Plan provides each eligible business Customer with rebates as set forth in Part A., Section 15.12.5 and Part M, Sections 1.15.12 and 1.15.13 of this tariff.
- **B.** VCAP-R rebates are available only in jurisdictions where applicable VCAP-R tariffs have been approved.

15.12.2 Definitions

- A. Telephone Company For purposes of this Section, this includes Verizon New England Inc., as well as the following Verizon entities collectively: Verizon California Inc., Verizon Florida Inc., Verizon Mid-States (Contel of the South Inc.), Verizon North Inc., Verizon Northwest Inc., Verizon South Inc., Verizon Southwest (GTE Southwest Inc.), Verizon West Coast Inc., Verizon Delaware Inc., Verizon Maryland Inc., Verizon New Jersey Inc., Verizon New York Inc., Verizon Pennsylvania Inc., Verizon Virginia Inc., Verizon West Virginia Inc., Verizon Washington, DC Inc., and Verizon Network Integration Corp.
- **B.** Customer A retail business entity that subscribes to the VCAP-R Plan. A customer and some or all eligible customer affiliates may elect to be treated as a single individual Customer. Where such an election is made, the CTB of the customer and its eligible customer affiliates shall be combined for all purposes. An eligible customer affiliate may elect to be treated as a separate customer if the requirements of Part A, Section 15.12.3.B.3 of this tariff are met.
- **C.** Customer Affiliate Any entity that directly or indirectly controls, is controlled by, or is under common control with the Customer.
- **D. Base Year** The most recent twelve-month period preceding the Customer's signing of a VCAP-R agreement for which data are available.
- E. Contributing Total Billings (CTB) All multi-state billings for regulated and nonregulated business products and services during a period specified by the Telephone Company under the VCAP-R Plan, excluding charges for wireless services, international services, printed and electronic directory services, and long distance services.
- **1. Eligible CTB** CTB, except for federal and state taxes that applicable laws, tariffs, regulations or regulatory orders require customers to pay.

(N)

Issued: October 26, 2005 Effective: November 25, 2005

15. Service Packages

15.12 Verizon Client Advantage Program

| 1 | N |
|---|----|
| 1 | 'n |

| 15.12 | 2.2 Definitions |
|-------|--|
| E. | (Continued) |
| 2. | Commitment CTB – Eligible CTB, except for the following exclusions: |
| a. | Federal or state surcharges, fees or taxes that applicable laws, tariffs, regulations or regulatory orders require customers to pay; |
| b. | Nonregulated products and services with the exception of voice messaging services and inside wire maintenance services; |
| C. | Digital Subscriber Line (DSL) Services; |
| d. | The following services provided by all former GTE Telephone Operating Companies in all states ("Selected Former GTE Services"): Fast Packet Services including Internet Protocol-Virtual Private Network, Fiber Broadband Access Services, Transparent LAN Service, Transport LAN Connect, CyberWAN, and Video Services; and, |
| e. | Bill Payment Charges, including Late Payment Charges and Returned Check or Draft Charges. |
| f. | Adjustments to billed charges will be excluded from Commitment CTB; however, the following items will be included in Commitment CTB: Other Charges and Credits, except for (1) credits for services eligible for funding under the Federal Universal Service Fund E-Rate (Education Rate) program that are paid by the E-Rate program and not paid by the Customer, and (2) credits for rebates under the VCAP-R Plan. |
| 3. | Commitment CTB is equivalent to CTB for intrastate telecommunications services and applicable intrastate and interstate access services except for Selected Former GTE Services. |
| F. | Customer Commitment – A percentage of commitment CTB that the customer commits to achieving during each year of the VCAP-R plan. The initial Customer Commitment, for the first year of the plan, is ninety percent (90%) of Commitment CTB. The Customer Commitment for subsequent years of the plan will be established as set forth in Section 15.12.5 and Part M, Section 1. |
| G. | Rebate Trigger – Ninety percent (90%) of Customer Commitment. |
| Н. | Monthly Rebate Trigger – Ninety percent (90%) of Customer Commitment divided by twelve. |
| I. | Rebate CTB – Commitment CTB for intrastate telecommunications services, voice messaging services and inside wire maintenance services in Rhode Island. |
| J. | Actual CTB – The amount of Commitment CTB billed to a Customer based on the Customer's actual purchases of services during a period specified by the Telephone Company. |
| 1. | Monthly Actual CTB – Actual CTB during a given month. |
| 2. | State-Specific Monthly Actual CTB – Monthly Actual CTB in Rhode Island. |
| 3. | Actual Rebate CTB – The amount of Rebate CTB billed to a Customer based on the Customer's actual purchases of Services during a period specified by the Telephone Company. |
| 4. | State-Specific Monthly Actual Rebate CTB – Monthly Actual Rebate CTB in Rhode Island. |

Issued: October 26, 2005 Theresa L. O'Brien

Vice President Regulatory-RI

Effective: November 25, 2005

Verizon New England Inc.

15. Service Packages

15.12 Verizon Client Advantage Program

| 1 | r | ΛI | ١ |
|---|---|----|---|
| ١ | • | ۲ | , |
| | | | |

| 15.12 | 2.2 Definitions |
|-------|---|
| J. | (Continued) |
| 5. | Measured Period Actual CTB – Actual CTB during a Measurement Period. |
| 6. | Measured Period Actual Rebate CTB – Actual Rebate CTB during a Measurement Period. |
| K. | Effective Date – The date that the Telephone Company and the Customer sign a VCAP-R agreement. |
| L. | Measurement Period – The 12-month period beginning on the first day of the term of the VCAP-R Plan and each succeeding 12-month period during the term. |
| М. | Month – Any monthly billing cycle during a Measurement Period. |
| N. | Services – All telecommunications services, as defined in the Federal Communications Act of 1934 and as amended, that the Telephone Company as defined herein is legally permitted to offer and that are obtained from the Telephone Company directly (i.e., not through a carrier not affiliated with the Telephone Company or its affiliates which are reselling such services). |

15.12.3 Regulations

A. In addition to the regulations set forth below, the regulations as set forth in the general or standard terms and conditions section of applicable state or federal tariffs related to the services included in the VCAP-R.

B. Initial Eligibility Requirements

- 1. In order to be eligible for the VCAP-R Plan, the Customer must meet the requirements, as set forth below, during the Base Year.
- a. Between \$1.5 million and \$80 million of annual multi-state total (aggregate) Eligible CTB, and,
- **b.** A minimum of \$100,000 in annual multi-state, intrastate, intraLATA local and toll usage Eligible CTB.
- 2. If the Customer meets the initial eligibility requirements as set forth in Section 15.12.3.B.1, the Customer may subscribe to the VCAP-R Plan by signing a VCAP-R agreement with the Telephone Company. Any additions, removals or changes to the Customer's billing telephone numbers subject to the VCAP-R Plan must be submitted by the Customer to the Telephone Company in writing.
- 3. A Customer Affiliate that desires to subscribe to the VCAP-R Plan independent of its parent company may sign an affiliate VCAP-R individual agreement provided 1) the parent company meets the eligibility requirements set forth in Section 15.12.3.B.1 and also participates in the VCAP-R Plan, and 2) the Customer Affiliate meets the following eligibility requirements:
- a. A minimum of \$100,000 in annual multi-state, intrastate, intraLATA local and toll usage Eligible CTB.

ďΛ

Issued: October 26, 2005 Theresa L. O'Brien

Vice President Regulatory-RI

Effective: November 25, 2005

Verizon New England Inc.

15. Service Packages

15.12 Verizon Client Advantage Program (VCAP-R)

(Ņ)

15.12.3 Regulations

B. (Continued)

4. Customers receiving discounts, rebates, credits, or other favorable rate treatment from the Telephone Company under any applicable federal or state tariff or individual case basis or other customer-specific pricing arrangement that provides discounts on a CTB or total billed revenue (TBR) basis (collectively, TBR Plans) are not eligible to receive rebates in the VCAP-R Plan in any jurisdiction where the Customer subscribes to such TBR Plans. However, Customers subscribing to the Verizon Client Advantage Program for Non-Regulated Services (VCAP-NR) are eligible to participate in the VCAP-R Plan.

Customers receiving discounts, rebates, credits, or other favorable rate treatment in exchange for revenue commitments for specific services or groups of services, but not on a CTB or TBR basis, are eligible to receive rebates in the VCAP-R Plan.

C. Reports – The Telephone Company shall provide monthly reports to the Customer providing information about the Customer's participation in the VCAP-R Plan. At the Telephone Company's discretion, such reports may be provided through various media including, but not limited to, paper or electronic media. The Telephone Company will provide the Customer with instructions on how to access the various media.

15.12.4 Terms & Conditions

A. Renewal Period

1. The VCAP-R Plan is offered as a two-year term Plan, with a one-year renewal. At the end of the initial two-year term, the VCAP-R Plan will be renewed automatically for the third year unless the Customer provides written notification of its intent to terminate the VCAP-R Plan no later than 90 days after the start of the third year.

B. Termination By The Customer

- 1. A Customer may terminate a VCAP-R agreement and cease to be a Customer under the VCAP-R Plan at any time during the term of the VCAP-R Plan for any reason by providing written notice of termination to the Telephone Company at least 30 days before the effective date of the termination. A Customer who terminates an agreement pursuant to this paragraph shall cease to receive VCAP-R rebates as of the effective date of the termination. Subject to Section 15.12.4.B.3 following a Customer that terminates participation in the VCAP-R Plan may subscribe to the VCAP-R Plan again by satisfying the eligibility requirements as set forth in Section 15.12.3.B.
- 2. Termination liability charges do not apply to the Customer's termination of the VCAP-R Plan.
- 3. A Customer that terminates participation in the VCAP-R Plan may not subscribe to the VCAP-R Plan again after the Customer's third such termination.

(N)

Issued: October 26, 2005 Effective: November 25, 2005

Verizon New England Inc.

15. Service Packages

15.12 Verizon Client Advantage Program

(Ņ)

15.12.4 Terms & Conditions

C. Increases in CTB Categories

- 1. If a Customer combines, by merger, acquisition of assets or equity, or otherwise, with a new entity that otherwise qualifies under the VCAP-R Plan, the Customer and the new entity may elect in writing to be treated as a single Customer for purposes of consolidating their Eligible CTB. In this event the Telephone Company shall combine 100% of the Customer's Base Year Eligible CTB and 100% of the Base Year Eligible CTB of the new entity to obtain a single new combined Eligible CTB. If the new entity does not have Base Year Eligible CTB, then 100% of the most recent available annual Eligible CTB of the new entity will be used to obtain a single new combined Eligible CTB. This will produce a single new combined Customer. Any such increase shall be made effective at the start of the next Measurement Period.
- 2. If a Customer combines, by merger, acquisition or assets or equity, or otherwise, with a new entity, but the Customer and the new entity do not elect to be treated as a single new Customer for purposes of consolidating Eligible and Customer Commitment, and the new entity wishes to participate in the VCAP-R Plan, the new entity must meet the eligibility requirements set forth in Section 15.12.3.B. and must sign a VCAP-R agreement.

15.12.5 Application of Rates and Charges

A. Rebates

- 1. If the Customer's Monthly Actual CTB meets or exceeds the Monthly Rebate Trigger, the Customer will receive a rebate by multiplying the Customer's State-Specific Monthly Actual CTB by the applicable rebate percentage set forth in Part M, Sections 1.15.12 and 1.15.13, and applying the resulting rebate amount to the Customer's State-Specific Monthly Actual Rebate CTB.
- 2. If the Customer does not meet the Monthly Rebate Trigger for any month, the Customer will not receive a VCAP-R rebate for that month. However, if the Customer generates sufficient Actual CTB during the Measurement Period so that the average Monthly Actual CTB meets the Monthly Rebate Trigger, then the Customer will receive a VCAP-R rebate for any month(s) in which the Customer did not originally qualify for a VCAP-R rebate under Section 15.12.5.A.1.
- 3. The Telephone Company will perform annual reviews to make any adjustments as necessary to conform to the rates, terms and conditions of the VCAP-R Plan. No interest will be paid in connection with the application of rebates.

ďΝ

Issued: October 26, 2005 Effective: November 25, 2005

(N)

15. Service Packages

15.12 Verizon Client Advantage Program

| 15.12 | 2.5 Applica | tion of Rates and Charges |
|-------|---|--|
| A. | (Contin | ued) |
| 4. | | at qualify for the VCAP-R Plan will be designated in Group A or Group B based ner's Eligible CTB: |
| | Group A: | Between \$1.5 million and \$29.99 million of multi-state total (aggregate) Eligible CTB |
| | Group B: | Between \$30 million and \$80 million of multi-state total (aggregate) Eligible CTB |
| 5. | Period of the | nmencement of the VCAP-R Plan, and for the first 12-month Measurement Plan (Year 1), the monthly rebate percentage as shown in Part M, Section pply to the Rebate CTB. |
| 6. | Customer's A based on Y Commitment next Measure | the first Measurement Period (Year 1), the Telephone Company will review the actual CTB to determine the percentage of Customer Commitment attained ear 1 Customer Commitment. Based on the percentage of Customer attained and the Customer's election of a new Customer Commitment for the ment Period (Year 2), the Customer will receive a monthly rebate percentage xt Measurement Period in accordance with the rebate schedules in Part M, 3. |
| 7. | the Customer based on Y Commitment next Measure | the second Measurement Period (Year 2), the Telephone Company will review is Actual CTB to determine the percentage of Customer Commitment attained ear 1 Customer Commitment. Based on the percentage of Customer attained and the Customer's election of a new Customer Commitment for the ment Period (Year 3), the Customer will receive a monthly rebate percentage xt Measurement Period in accordance with the rebate schedules in Part M, 3. |
| 8. | | er must notify the Telephone Company in writing of a new Customer for the next Measurement Period prior to the start of that Measurement Period. |

Issued: October 26, 2005 Theresa L. O'Brien

Vice President Regulatory-RI

Effective: November 25, 2005

1. Exchange and Network Services

1.15 Service Packages

| 1.15.12 | Verizon Client Advantage Program for Regulated Services Plan – First Year Rebate | | |
|---------|--|--|--|
| ID | Service Category | Monthly Rebate Percentage for First Year | |
| | Rebate Schedule – First Year - Group A | 5% | |
| | Rebate Schedule – First Year - Group B | 5.5% | |

| 1.15.13 | Verizon Client Advantage Program for Regulated Services Plan – Subsequent Years Rebate | | | | |
|---------|--|--|---|--|--|
| ID | Service Category | Percent of Customer Commitment Achieved in Measurement Period | Customer Election of Customer Commitment for New Measurement Period | Monthly Rebate Percentage for New Measurement Period | |
| | Rebate Schedule - Subsequent Years - Group A | 110% | 110% | 6% | |
| | | 110% | 105% - 109.99% | 5.5% | |
| | | 110% | 90% - 104.99% | 5% | |
| | | 110% | 85% - 89.99% | 2% | |
| | | 110% | Less Than 85% | 0% | |
| | | 105% - 109.99% | 105% - 109.99% | 5.5% | |
| | | 105% - 109.99% | 90% - 104.99% | 5% | |
| | | 105% - 109.99% | 85% - 89.99% | 2% | |
| | | 105% - 109.99% | Less Than 85% | 0% | |
| | | 90% - 104.99% | 90% - 104.99% | 5% | |
| | | 90% - 104.99% | 85% - 89.9% | 2% | |
| | | 90% - 104.99% | Less Than 85% | 0% | |
| | | 85% - 89.99% | 85% - 89.99% | 2% | |
| | | Less Than 85% | Not Applicable | 0% | |

Issued: October 26, 2005 Theresa L. O'Brien

Effective: November 25, 2005 Vice-President Regulatory-RI

1. Exchange and Network Services

1.15 Service Packages

| 1.15.13 | Verizon Client Advantage Program for Regulated Services Plan – Subsequent Years Rebate | | | | |
|---------|--|--|---|---|--|
| ID | Service Category | Percent of Customer Commitment Achieved in Measurement Period | Customer Election of Customer Commitment for New Measurement Period | Monthly Rebate Percentage for New Measurement Period | |
| | Rebate Schedule - Subsequent Years - Group B | 110% | 110% | 6.5% | |
| | | 110% | 105% - 109.99% | 6.25% | |
| | | 110% | 90% - 104.99% | 6% | |
| | | 110% | 85% - 89.99% | 2% | |
| | | 110% | Less Than 85% | 0% | |
| | | 105% - 109.99% | 105% - 109.99% | 6.25% | |
| | | 105% - 109.99% | 90% - 104.99% | 6% | |
| | | 105% - 109.99% | 85% - 89.99% | 2% | |
| | | 105% - 109.99% | Less Than 85% | 0% | |
| | | 90% - 104.99% | 90% - 104.99% | 5.5% | |
| | | 90% - 104.99% | 85% - 89.9% | 2% | |
| | | 90% - 104.99% | Less Than 85% | 0% | |
| | | 85% - 89.99% | 85% - 89.99% | 2% | |
| | | Less Than 85% | Not Applicable | 0% | |

Issued: October 26, 2005 Effective: November 25, 2005